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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA
SEPTEMBER 1969

Number 2

Released Pursuant to §1090.27(j) and §1090.85, USDA-C&MS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

MARKET SUMMARY - SEPTEMBER 1969

The Federal Order MINIMUM uniform price to be paid producers for milk delivered to pool plants in the 0-65 mile zone is \$6.29. This hundredweight price is for milk testing 3.5% butterfat and is subject to a producer butterfat differential of 8.0 cents for each one-tenth of one percent above or below 3.5% test.

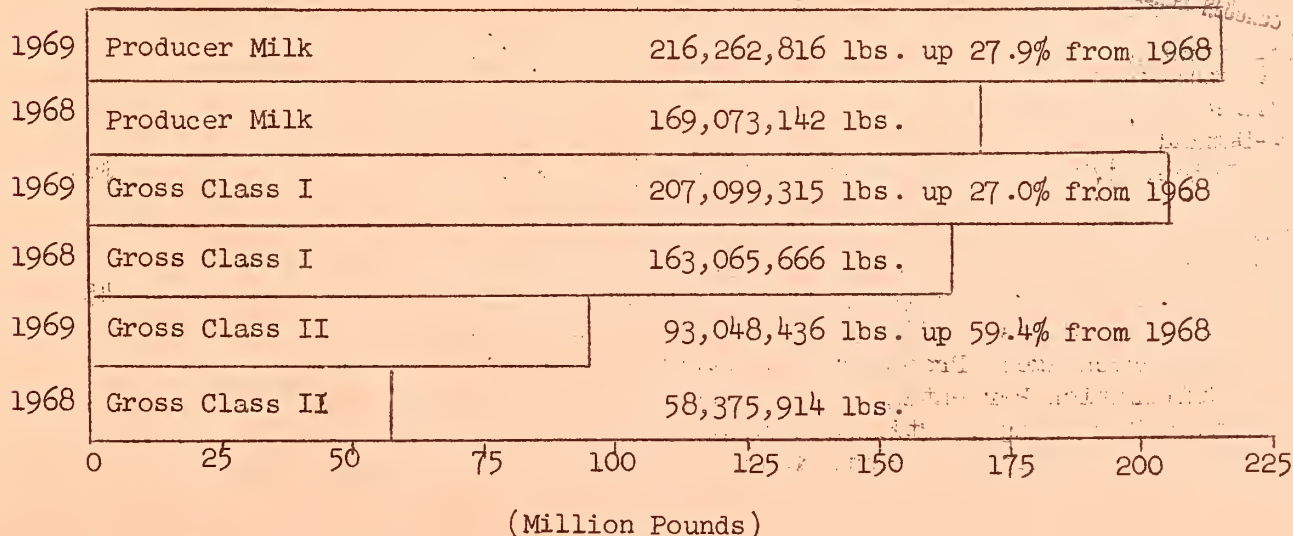
In September 1969, 76.6% of the producer milk received by pool plants was priced in Class I at \$6.85 per cwt. and 23.4% was priced in Class II at \$4.49 per cwt. The September butterfat differential for Class I was 8.1 cents and Class II was 8.0 cents.

Total producer milk received during September 1969 was 30,806,305 pounds which is an increase of 9,316,671 pounds or 43.4% compared with September 1968. The September daily average deliveries from 751 producers was 1,367 pounds. This compares to 620 farms delivering a daily average of 1,155 pounds per day during September 1968.

PRODUCER MILK BASES

Producers supplying milk to handlers regulated by the Chattanooga Order began forming new bases September 1, 1969. The BASE-FORMING PERIOD IS SEPTEMBER 1969 THROUGH JANUARY 1970. According to the base rules of the Chattanooga Order, each producer delivering milk during the base-forming period will have a base computed as follows: Divide the total deliveries made by each producer during the base-forming period (Sept. 1969 through Jan. 1970) by the number of DAYS FOR WHICH DELIVERY IS MADE, OR BY 120, WHICHEVER IS GREATER. Bases will be used during the 1970 base-operating period of March through July 1970. All producers, especially partners, should take precaution to see that their name is correctly listed with the Market Administrator.

PRODUCER RECEIPTS COMPARED WITH GROSS CLASS UTILIZATION
January thru September



COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% Sept. '69 over Sept. '68	Sept. 1969 18	Aug. 1969 19	Sept. 1968 17
Number of Plants (Pool and Non-Pool)				
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer milk	+ 43.4	1,026,877	772,344	716,321
Other Source	- 44.8	37,440	30,780	67,775
Other Federal Orders	- 64.9	81,103	367,432	230,772
TOTAL MILK RECEIPTS	+ 12.9	1,145,420	1,170,556	1,014,868
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+ 13.5	458,336	415,310	403,718
Skim - Regular	+ 1.8	20,598	20,045	20,231
Skim - 2% Milk	+ 92.5	87,629	81,914	45,527
Buttermilk	+ 4.4	47,902	47,633	45,886
Flavored Milk and Drink	+ 39.2	23,145	23,937	16,623
Creams (Sweet and Sour)	+ 4.3	2,974	3,237	2,851
Sub-Total - Pkg. Products (Pool Plants)	+ 19.8	640,584	592,076	534,836
Other (Shrinkage, Inventory, etc.)		2,683	3,532	6,638
Sales to Non-Pool Plants		179,342	123,552	200,317
In-Area Sales by Non-Pool Plants		45,520	42,755	45,037
TOTAL CLASS I MILK	+ 10.3	868,129	761,915	786,828
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+ 11.5	48,369	55,392	43,398
Cottage Cheese	+ 20.0	41,261	40,640	34,373
Powdered and Condensed Milk		4,480	51,800	35,713
Livestock Feed and Milk Dumped		8,299	5,113	7,527
Sub-Total - Used to Produce	- 15.4	102,409	152,945	121,011
Shrinkage Class II		16,826	13,593	13,293
Other (Inventory Variation, etc.)		753	7,974	29,619
Bulk Sales to Non-Pool Plants		157,303	234,129	64,117
TOTAL CLASS II MILK	+ 21.6	277,291	408,641	228,040
Class I Pkg. Lbs. in Area - Pool Plants	+ 4.8	488,750	456,775	466,282
Class I Pkg. Lbs. Out of Area - Pool Plants	+ 121.5	151,834	135,301	68,554
Class I Pkg. Lbs. in Area - Non-Pool Plants		45,520	42,755	45,037
% Producer Milk of Gross Class I		118.3	101.4	91.0
% Producer Milk Priced in Class I		76.6	72.4	78.4

CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

<u>Per \$1090.51(a) Amended</u>	<u>Oct. '69</u>	<u>Sept. '69</u>	<u>Oct. '68</u>
Basic Formula	\$4.49	\$4.42	\$4.33
Plus Class I Differential	1.95	1.95	1.95
Supply-Demand Adjustment	0.26	0.48	0.40
Class I Price, 3.5% Butterfat (0-65 Mile Zone)	\$6.70	\$6.85	\$6.68

OCTOBER 1969

Supply-Demand Comparison: 2nd and 3rd preceding months: July and August	
Supply: Lbs. Producer Milk (July 22,040,556 and Aug. 23,942,657)	45,983,213
Demand: Lbs. Net Class I Milk (July 22,909,392 and Aug. 22,293,963)	45,203,355
Utilization Percentage: Producer milk divided by Class I	102
Standard Utilization Percentage: Range 115-119	115
Net Deviation Percentage: Utilization minus Standard Utilization	Minus 13
Supply-Demand Adjustment: 2 cents x 13 percentage points	Plus \$0.26

COMPUTATION OF PRODUCER UNIFORM PRICE

SEPTEMBER 1969	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		26,043,860	3.342		
Less Other Source		2,454,553	3.042		
Producer Milk Class I	76.6	23,589,307	3.372770	\$6.746944	\$1,591,557.33
Gross Class II		8,318,742	4.766		
Less Other Source		1,101,744	2.356		
Producer Milk Class II	23.4	7,216,998	5.134254	5.797403	418,398.46
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	30,806,305	3.785433		\$2,009,955.79
Less Fractional Adjustment					.11
Add Value of Inventory Reclassified					383.32
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					10,358.27
TOTAL VALUE AT TEST		30,806,305	3.785433	\$6.559363	\$2,020,697.27
Less Test over 3.5% @ 8.0¢ per point		30,806,305	.285433	0.228346	70,344.97
TOTAL UTILIZATION VALUE AT 3.5%		30,806,305	3.5	\$6.331017	\$1,950,352.30
Less Producer Settlement Fund Reserve		30,806,305		.041017	12,635.82
PRODUCER UNIFORM PRICE		30,806,305	3.5	\$6.29	\$1,937,716.48

SEPTEMBER 1969 ORDER MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS
 BUTTERFAT DIFFERENTIAL 8.0¢ PER POINT (EXCLUDES PREMIUMS)
 (0-65 MILE ZONE)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$5.89	3.6	\$6.37	4.2	\$6.85	4.8	\$7.33	5.4	\$7.81
3.05	5.93	3.65	6.41	4.25	6.89	4.85	7.37	5.45	7.85
3.1	5.97	3.7	6.45	4.3	6.93	4.9	7.41	5.5	7.89
3.15	6.01	3.75	6.49	4.35	6.97	4.95	7.45	5.55	7.93
3.2	6.05	3.8	6.53	4.4	7.01	5.0	7.49	5.6	7.97
3.25	6.09	3.85	6.57	4.45	7.05	5.05	7.53	5.65	8.01
3.3	6.13	3.9	6.61	4.5	7.09	5.1	7.57	5.7	8.05
3.35	6.17	3.95	6.65	4.55	7.13	5.15	7.61	5.75	8.09
3.4	6.21	4.0	6.69	4.6	7.17	5.2	7.65	5.8	8.13
3.45	6.25	4.05	6.73	4.65	7.21	5.25	7.69	5.85	8.17
3.5	6.29	4.1	6.77	4.7	7.25	5.3	7.73	5.9	8.21
3.55	6.33	4.15	6.81	4.75	7.29	5.35	7.77	5.95	8.25

SEPTEMBER 1969 PRODUCER BUTTERFAT DIFFERENTIAL COMPUTATION

Per \$1090.73	B'Fat Use Percentage	Prod. Lbs. Butterfat	Class B'Fat Differential	Butterfat Value
Class I	68.2	795,613	\$0.81	\$644,446.53
Class II	31.8	370,539	0.80	296,431.20
Total	100.0	1,166,152		\$940,877.73

Total Butterfat Value ÷ Total Producer fat pounds = \$0.806823

Producer Butterfat Differential per point variation above or
 below 3.5 percent - - - - - \$0.080

The producer butterfat differential is used to adjust the producer uniform price announced at 3.5% to the various tests as shown in the above table.

CHATTANOOGA ORDER MILK PRICES - 3.5% TEST (0-65 MILE ZONE)

Date	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Sept. '68	\$6.16	-	-	8.0¢	\$6.70	8.0¢	\$4.23	7.9¢
Oct.	6.31	-	-	8.0	6.68	8.2	4.28	7.7
Nov.	6.22	-	-	8.0	6.62	8.1	4.27	7.7
Dec.	6.03	-	-	8.0	6.72	8.0	4.30	7.9
Jan. '69	6.16	-	-	8.0	6.72	8.2	4.27	7.6
Feb.	5.90	-	-	7.8	6.58	8.0	4.23	7.6
Mar.	5.90 ^{2/}	\$6.07	\$4.28	7.8	6.56	8.0	4.28	7.6
Apr.	5.71 ^{2/}	5.96	4.34	8.0	6.56	8.0	4.34	7.8
May	5.84 ^{2/}	6.08	4.37	8.0	6.45	8.1	4.37	7.8
June	5.73 ^{2/}	5.88	4.39	8.0	6.34	8.1	4.39	7.8
July	6.03 ^{2/}	6.20	4.41	8.0	6.50	8.1	4.41	7.8
Aug.	6.10	-	-	8.0	6.74	8.1	4.42	7.8
Sept.	6.29	-	-	8.0	6.85	8.1	4.49	8.0
Oct.	-	-	-	-	6.70	8.4	-	-

Date	PRICE QUOTATIONS				PRODUCER MILK USE (Daily Average)			
	Chi. 92° Butter	Chi. Area Powder	Minn/Wisc Mfg. Milk	Basic Formula	Class I		Class II	
	¢ Lb.	¢ Lb.	\$-cwt-3.5%	Minimum	Pounds	Test-%	Pounds	Test-%
Sept. '68	68.54	22.91	4.23	4.33	561,274	3.45	155,047	5.07
Oct.	67.29	22.95	4.28	4.33	617,813	3.59	106,841	6.20
Nov.	66.79	22.75	4.27	4.33	727,083	3.49	158,337	6.39
Dec.	68.73	22.73	4.30	4.33	526,471	3.52	193,342	5.89
Jan. '69	66.41	22.95	4.27	4.33	577,625	3.48	156,506	6.63
Feb.	66.39	22.94	4.23	4.33	538,299	3.42	213,449	5.65
Mar.	66.39	23.04	4.28	4.33	542,370	3.40	215,901	5.50
Apr.	67.59	23.01	4.34	4.33	518,846	3.33	316,364	4.64
May	67.64	23.03	4.37	4.33	579,475	3.31	234,172	4.80
June	67.64	22.98	4.39	4.33	512,990	3.29	216,362	4.88
July	67.64	22.96	4.41	4.33	557,280	3.31	153,706	5.25
Aug.	67.80	23.01	4.42	4.33	559,555	3.30	212,789	4.82
Sept.	69.85	22.95	4.49	4.33	786,310	3.37	240,567	5.13

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK ^{3/}			PRODUCER DATA				Deliveries Per		
	No.	Total	Class I	No.	Total	Base	Average	Farm-----Pounds		
	Hdlrs.	Receipt	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exc.
Sept. '68	17	1,014,868	786,828	620	716,321	-	3.80	1,155	-	-
Oct.	17	1,025,424	873,378	619	724,654	-	3.98	1,171	-	-
Nov.	17	1,219,630	938,723	721	885,420	-	4.01	1,228	-	-
Dec.	18	1,003,719	711,555	624	719,813	-	4.16	1,154	-	-
Jan. '69	18	1,052,730	811,681	619	734,131	-	4.16	1,186	-	-
Feb.	18	1,083,443	737,181	612	751,748	-	4.05	1,228	-	-
Mar.	18	1,078,934	739,355	611	758,271	688,137	4.00	1,241	1,126	115
Apr.	17	1,166,507	671,623	609	835,210	709,211	3.82	1,371	1,165	206
May	17	1,111,639	748,156	606	813,647	701,721	3.74	1,343	1,158	185
June	17	1,052,351	697,377	605	729,352	658,441	3.76	1,206	1,088	118
July	18	1,033,980	788,712	619	710,986	644,643	3.73	1,149	1,041	108
Aug.	19	1,170,556	761,915	620	772,344	-	3.72	1,246	-	-
Sept.	18	1,145,420	868,129	751	1,026,877	-	3.79	1,367	-	-

^{1/} Excludes Premiums^{2/} Weighted Average Price^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I